

Washington State Auditor's Office
Audit Report

Cowlitz Conservation District
Cowlitz County

Audit Period
January 1, 1998 through December 31, 1999

Report No. 62114

Issue Date
April 6, 2001



Washington
State Auditor
Brian Sonntag

Audit Summary

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

ABOUT THE AUDIT

This report contains the results of our independent audit of the Cowlitz Conservation District for the period January 1, 1998, through December 31, 1999.

Our work focused on determining whether the District complied with state laws and regulations and its own policies and procedures. The internal controls established by the District's management were reviewed and evaluated. We performed audit procedures on specific areas that have potential for abuse and misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies and procedures in the areas we examined.

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Cowlitz County
January 1, 1998 through December 31, 1999**

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Description of the District

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

ABOUT THE DISTRICT

The Cowlitz County Conservation District was established in 1948 and is supported primarily by a combination of grants from the Washington Conservation Commission. The District provides conservation education to the general public and is administered by a five-member Board of Supervisors. The volunteer Board consists of two members appointed by the Washington Conservation Commission and three members elected by the landowners within the District. Each member serves a three-year term. The District's 1999 revenues were approximately \$255,000. The District has four full-time employees.

APPOINTED/ELECTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Chair

Butch Ogden
Lyle Swanson
Merlin Baldwin
Robert Kiser
Chan Norenberg
Jackie Woodruff

Also served during the audit period

ADDRESS

District

2125 8th Avenue
Longview, WA 98632

Audit Areas Examined

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of the Cowlitz Conservation District's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Authorization and validity of expenditures
- Open Public Meetings Act
- Public records management
- Ethics/conflict of interest laws and policies
- Cash and investments
- Program accountability

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Expenditures
- State grant requirements
- Payroll
- Financial reporting

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Overall presentation of the financial statements
- Cash and investments for existence and fairness of presentation
- The District's ability to continue as a municipal entity
- Revenues and expenditures

Audit Overview

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

AUDIT HISTORY

Typically we audit the Cowlitz County Conservation District every three years. However, our recent audit experience in other conservation districts required us to examine the District's records to ensure any possible misuse of public resources would be discovered in a timely manner. The past audit of the District contained a disclaimer of opinion.

CONCLUSIONS

In the areas examined, the District complied with state laws and regulations and its own policies.

We spent a considerable amount of time reviewing the District's financial statements. We found that the District has spent a considerable amount of time reviewing supporting documentation and ensuring the financial records are accurate and correct. In addition, District management has established an internal audit team that performs detailed annual internal audits, which has allowed the District to identify potential weakness and make improvements in a timely manner. We applaud the District in its proactive approach and encourage the continuation of the District's efforts to improvement operations.

We would like to thank the District for its continued assistance and cooperation during the audit process.

Independent Auditor's Report on Compliance with State Laws and Regulations

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

Board of Supervisors
Cowlitz Conservation District
Longview, Washington

We have audited the financial statements of the Cowlitz Conservation District, Cowlitz County, Washington, as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated January 24, 2001.

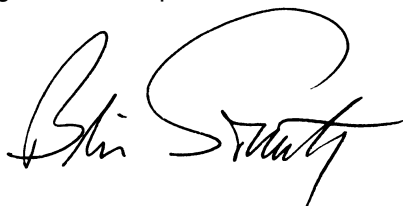
We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

However, we noted certain matters involving noncompliance not significant enough to report as findings that we have reported to management of the District in a separate letter dated February 28, 2001.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

January 24, 2001

Independent Auditor's Report on Financial Statements

Cowlitz Conservation District Cowlitz County January 1, 1998 through December 31, 1999

Board of Supervisors
Cowlitz Conservation District
Longview, Washington

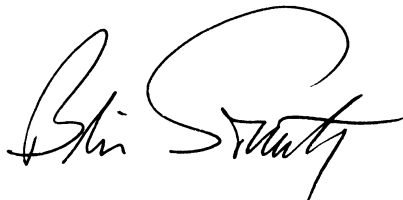
We have audited the accompanying financial statements of the Cowlitz Conservation District, Cowlitz County, Washington, for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of the Cowlitz Conservation District for the years ended December 31, 1999 and 1998, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State and Local Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

January 24, 2001

Financial Statements

**Cowlitz Conservation District
Cowlitz County
January 1, 1998 through December 31, 1999**

FINANCIAL STATEMENTS

Resources and Uses Arising from Cash Transactions – 1999
Resources and Uses Arising from Cash Transactions – 1998
Notes to Financial Statements – 1999 and 1998

ADDITIONAL INFORMATION

Schedule of State and Local Financial Assistance – 1999
Schedule of State and Local Financial Assistance – 1998